

PLEASE SUPPORT SB 442

Building Energy Disclosure Act

Commercial building energy performance transparency:

Boosting energy efficiency and helping businesses control costs in New Mexico

The Problem

New Mexico commercial customers paid more than \$1 billion for electricity and natural gas in 2008, most of which was consumed in buildings.¹ Businesses are missing major opportunities to reduce their energy costs because they lack basic energy performance information about buildings when they lease or buy a property. They cannot identify or compare the energy efficiency of buildings and as a result, they often lose out on potential energy savings.

This information barrier restricts market demand for energy-efficient buildings by preventing consumers from making informed decisions. Similar transparency rules in other market sectors, such as nutritional labels on food and MPG ratings on vehicles, are recognized as both a consumer right and a keystone of free enterprise.

This Bill

Increasing energy transparency in buildings unlocks opportunities to create jobs and reduce energy costs for businesses. This bill gives tenants and investors the right to know the energy rating for a commercial building before completing a lease or sale transaction, ensuring they can compare the energy efficiency of buildings.

Energy ratings would be generated using the Environmental Protection Agency's Portfolio Manager, a 100% free rating tool available online. Nationally, more than 100,000 commercial buildings totaling more than 16 billion square feet have voluntarily generated an energy performance score using Portfolio Manager.²

State buildings would also report energy use to the public, providing transparency in resource use to all New Mexicans.

¹ U.S. Energy Information Administration, *State Energy Data 2008: Prices and Expenditures*. Table S3b

² ENERGY STAR Snapshot report Fall 2010, *Cumulative Number and Floor Space of Buildings Rated By EPA Region/State*

The Right Policy for New Mexico

■ A consumer protection for businesses

Businesses deserve the right to access information about energy performance in buildings that helps them predict and control energy costs, in the same way consumers can access MPG ratings for vehicles.

■ A common sense energy-efficiency strategy

Transparency leverages market forces to encourage energy efficiency through retrofits or low- or no-cost changes in building operations.

■ A fiscally responsible, free-market policy

New Mexico can address a major barrier to consumer energy savings and job growth without major regulation. This market-based measure has no cost to government.

■ A job-creating bill good for by New Mexico companies

Energy transparency encourages building energy improvements, creating new business and jobs for contractors, construction workers, building engineers, design firms, energy assessors and facilities and property management personnel who operate buildings.

■ A broad trend in states and cities

Similar energy transparency measures have passed or are being considered in five states and numerous cities including Vermont, Washington, California, Maryland, Washington, DC, Cleveland and New York.

For more information, please contact:

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